

RD AN No. 3559 (1980-D)
June 19, 2000

TO: State Directors
Rural Development

ATTENTION: Rural Housing Directors
Guaranteed Rural Housing Specialists

FROM: James C. Kearney (*Signed by David J. Villano*) for
Administrator
Rural Housing Service

SUBJECT: Single Family - Guaranteed Rural Housing
Form RD 1980-17, "Loan Note Guarantee"

PURPOSE/INTENDED OUTCOME:

The purpose of this Administrative Notice (AN) is to clarify RHS procedure on the issuance and retention of Form RD 1980-17, "Loan Note Guarantee," and policy on a lender request for a copy or duplicate.

COMPARISON WITH PREVIOUS AN:

There is no previous AN on this subject.

IMPLEMENTATION RESPONSIBILITIES:

Form RD 1980-17, constitutes the Government's obligation to guarantee the associated loan, therefore, the holding lender should retain the original Form RD 1980-17 with the original Promissory Note at all times. This is particularly important when the loan is sold to another lender or transferred and assumed by another party.

If the loan is sold or the information initially provided changes before Form RD 1980-17 is received, the lender, when it is received, should forward it to the appropriate address with instructions to attach it to and retain it with the original Promissory Note. The lender is also responsible for notifying the Agency as soon as possible by submitting Form RD 1980-11, "Guaranteed Rural Housing Lender Record Change." These procedures should be made clear to participating lenders and holders.

On occasion, a lender may lose track of and require a certified copy or a duplicate original of Form RD 1980-17. We understand that many investors accept a certified copy, while others will only accept it with some form of written authorization from the Agency, or require a duplicate original.

RHS will accept a certified copy of Form RD 1980-17 as evidence of the Government's obligation to guarantee the associated loan. However, in those cases where an investor will not accept a certified copy without written authorization, a lender's request for a duplicate original is considered a customer service and will be honored.

Questions regarding this AN may be directed to Joyce M. Halasz, Sr. Loan Specialist, or any other member of the SFH Guaranteed Loan Division, at 202-720-1452.